



For Immediate Release

Contact: Craig Orfield
(202) 224-6770

Wednesday, March 14, 2007

ENZI CALLS PAID SICK LEAVE PROPOSAL “MASSIVE UNFUNDED MANDATE,” SUPPORTS PRIVATE MARKET SOLUTIONS ALREADY IN PLACE

Washington, D.C. – Speaking to the world’s largest human resources management association, U.S. Senator Mike Enzi (R-WY), Ranking Member of the Senate Health, Education, Labor and Pensions (HELP) Committee, today called proposed legislation requiring employers to provide paid sick leave “a massive unfunded mandate on employers,” and warned that the burden could easily cost small and large businesses tens of billions of dollars.

“We need to bear in mind that regardless of how well-intentioned the goal of any legislation is, it always comes with a price tag,” Enzi said in a speech to the Society for Resource Management (SHRM). “The price tag of the leave proposals that will be considered is enormous and would be borne exclusively by employers. When the government continues to pile expensive unfunded mandates on employers, particularly small employers, it runs a substantial risk of choking off job creation and stifling business expansion. Simply put, paid leave is no benefit to a worker without a job, or a job applicant without any prospects.”

“We here in Washington must stop thinking that we have a monopoly on good ideas, and we must recognize that whenever we establish one-size-fits-all requirements, we necessarily eliminate others that might be better suited for the task at hand,” Enzi said. “The reality is that enhanced benefits levels are already necessary in order for employers to remain competitive in the human capital market. The market is invariably a better choice than a mandate.”

Democrats are expected to propose legislation this week that would establish a rigid federal mandate requiring employers with 15 or more employees to give all employees 7 days of paid family and medical leave. The mandate would cover part-timers, as well as those with little or no seniority. The reasons for leave under the proposal are extremely broad, the checks on potential abuse are few, and the paid leave would be divisible into increments as small as a few minutes.

By some estimates this bill will affect roughly 45 million workers. The legislation requires up to 56 hours of paid sick time per employee; and the average hourly non-

supervisory, non-farm wage is right around \$17 per hour, not including the added cost of benefits. As a result, the average cost exposure of the proposed legislation for each full-time employee is nearly a thousand dollars. Even if one adjusts the pool of the approximately 45 million workers that would be affected to allow for part-timers, the cost exposure here is plainly in the tens of billions of dollars.

Enzi said that a better way to help workers achieve a balance between their work and family lives would be to modify the Fair Labor Standards Act to allow all workers to enter into voluntary flexible work time arrangements. Forty-three percent of all U.S. workers already have this right, including all federal employees. The program is enormously popular – 69 percent of the women and 68 percent of the men who have it use it.

“One cannot credibly claim an interest in helping employees achieve an appropriate work/family balance while at the same time opposing an extension of this benefit to workers in the private sector,” Enzi said.

####